



REPORT ON THE MONTANA TOURISM INDUSTRY

NOVEMBER, 2000

TRAVEL MONTANA, DEPARTMENT OF COMMERCE





Message from the Director

While the much anticipated Y2K meltdown failed to materialize, this has been a year of unprecedented challenges for the tourism industry in Montana. Early on we heard predictions that skyrocketing gasoline costs would dampen the upcoming summer season. On top of that, the ongoing drought in the state produced tinder-dry conditions and the threat of forest fires was very real. Through mid-July, most areas of the state were experiencing a good tourism season. While gasoline prices may have impacted some of our traffic to the national parks, overall, things were looking good. However, the situation quickly changed when fires began breaking out around the state. From late July through early September, the image of Montana in the media was one of fire and destruction. While this agency and numerous others responded as best they could, the fact remained that the coverage we received was extensive and the impact on the tourism industry has been significant.

I have been privileged to serve as director of Travel Montana for eight years. During this time, I have found the people in the travel industry to be resourceful, resilient and innovative. These are qualities we

have tried to replicate within our program. I hope that the following pages give you an insight and understanding as to our objectives and methods for promoting tourism in Montana. One important lesson we learned from this fire season is how integral tourism has become to our overall economy. As we move forward into 2001, we plan to integrate elements of the fires in our programs, but our focus will be our core belief that Montana offers a visitor an unexpected mix of personally rewarding travel experiences in a variety of landscapes. Montana tourism recovered after the 1988 Yellowstone fires, setting new records for visitation throughout the past decade. Through focused efforts and cooperation from our partners, we anticipate that the same will be true in the years ahead.

As always, I welcome your comments and suggestions.

Sincerely,

Matthew T. Cohn,
Director, Travel Montana

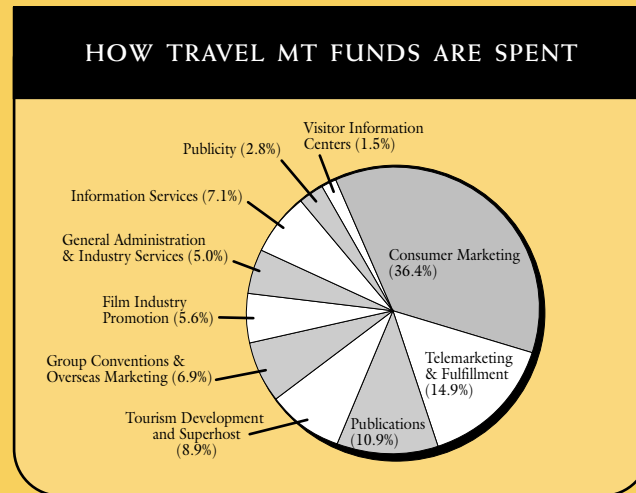
THE INVESTMENT: MONTANA'S TOURISM FUNDING

MONTANA'S SUCCESSFUL TOURISM INDUSTRY RELIES ON THE "BED TAX." THIS 4% TAX ON OVERNIGHT LODGING SUPPORTS MONTANA'S PROMOTION EFFORTS, AND ALSO CONTRIBUTES FUNDS TO STATE PARKS, HISTORIC SITES AND OTHER IMPORTANT PROGRAMS. IN THE YEAR 2001, THE BED TAX WILL COLLECT ABOUT \$10.9 MILLION, YET IT WILL HELP GENERATE MORE THAN \$1.5 BILLION IN NONRESIDENT SPENDING.

In 1987, Montana's legislature recognized the vast importance of tourism to Montana's future economy. During that session, the legislature created a 4% Lodging Facility Use Tax, commonly referred to today as the bed tax. Lodging facilities (such as hotels, motels, bed & breakfast inns, guest ranches, resorts and campgrounds) collect this tax from guests. In turn, these funds are directed to the Montana Historical Society, the university system, the Department of Fish, Wildlife & Parks, Montana's tourism regions and CVBs, and the Department of Commerce's Travel Montana programs. Importantly, no additional money for tourism funding comes from Montana's general fund. Thirteen years after the legislature created the bed tax, its success is evident. Today, tourism is Montana's second largest industry, and its fastest growing.

In 1988, the year the bed tax was first collected, \$5 million was generated. In 2001, that figure will be over \$10.9 million, representing an increase of more than 100% in just over a decade.

Bed tax collections are Montana's source of funding for all of its tourism marketing efforts; however, the bed tax itself supports much more than marketing alone. In fact, about 20% of the bed tax currently supports tourism-related infrastructure around the state. This includes items such as historic preservation funds for Virginia City/ Nevada City, maintenance of state parks, funding for the Lewis and Clark bicentennial program, and historic signage.



ACCOMMODATIONS TAX REVENUE FY 2001

Projected Lodging Tax Revenue	\$10,963,378
Historic Preservation Commission (Virginia City)	(\$400,000)
Department of Revenue (Collection costs & reimbursement to general fund of tax paid by state employees)	(\$240,000)
Available for Distribution	\$10,323,378

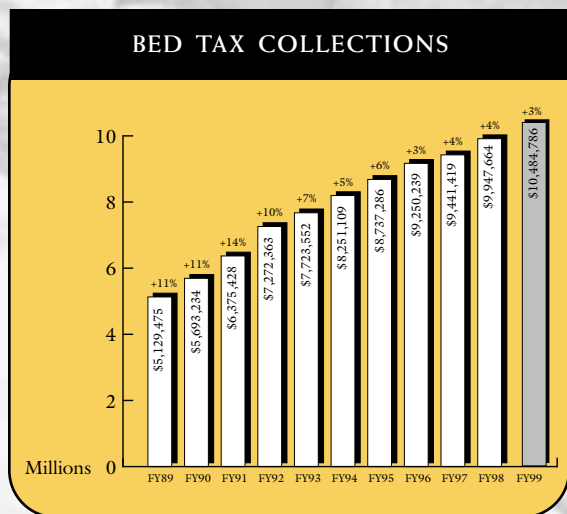
USE OF FUNDS

(Determined by Montana Legislature)

State Parks - 6.5% (Operations & Maintenance)	\$671,020
University System - 2.5% (Tourism & Recreation Research)	\$258,084
Historical Society - 1% (Historical Sites & Signage)	\$103,234
Regions/CVBs Marketing - 22.5%	\$2,322,760
Travel Montana Programs - 67.5%	\$6,968,280

TRAVEL MONTANA PROJECTED FY 2001 BUDGET

Funds from Accommodations Tax	\$6,968,280
Income from ad sales, co-ops, etc.	\$545,710
Community & Infrastructure Grants	(\$210,000)
Lewis & Clark Bicentennial	(\$250,000)
Montana Trade Program	(\$200,000)
Support for Capitol tours and Governor's Mansion restoration	(\$75,000)
Total Funds Available	\$6,778,990



THE STATE'S TOURISM INDUSTRY IS FUELED BY MUCH MORE THAN TRAVEL MONTANA'S PROGRAMS. ALL ACROSS THE STATE, PARTNERS CONTINUALLY WORK TOGETHER FOR SUCCESS, INCLUDING THE TOURISM ADVISORY COUNCIL, SIX TOURISM REGIONS AND NINE FUNDED CVBs—AS WELL AS LITERALLY HUNDREDS OF TOURISM PROFESSIONALS IN THE PUBLIC AND PRIVATE SECTORS.

The Tourism Advisory Council (TAC) was created at the same time as Montana's bed tax. The Council, composed of no less than 12 Montanans from the travel industry's private sector, has a number of important duties. First, the Council advises the governor on matters relating to travel and tourism in Montana. Second, it sets policies and guides the efforts of Travel Montana. Third, it oversees distribution of funds and sets regulations for all of Montana's nonprofit tourism regions and CVBs. Fourth, it determines allowable administrative expenses from bed tax funds for the tourism regions and CVBs. And finally, the TAC oversees the university system's travel research, approving all projects before they begin.

Montana's six tourism regions are private, nonprofit organizations dedicated to marketing themselves to

visitors. Each year, they submit marketing plans to the Tourism Advisory Council for approval. Find out more about any of the tourism regions on the web:

- Custer Country • custer.visitmt.com
- Glacier Country • glacier.visitmt.com
- Gold West Country • goldwest.visitmt.com
- Missouri River Country • missouririver.visitmt.com
- Russell Country • russell.visitmt.com
- Yellowstone Country • yellowstone.visitmt.com

Like Montana's tourism regions, the nine Convention & Visitors Bureaus market themselves to visitors, and must also submit annual marketing plans.

- Billings • billingscvb.visitmt.com
- Bozeman • bozemancvb.visitmt.com
- Butte • butteinfo.org
- Great Falls • greatfallscvb.visitmt.com
- Helena • helenachamber.com
- Flathead Valley • fcvb.org
- Missoula • missoulachamber.com/cvb/
- West Yellowstone • westyellowstonecvb.visitmt.com
- Whitefish • whitefishmt.com/chamber/

To find out more about Montana's tourism organizations, including contact information, go to Travel Montana's intranet site at travelmontana.state.mt.us.

THE MEASUREMENT: RESEARCH RESULTS

SO HAS MONTANA'S INVESTMENT IN TOURISM PROMOTION MADE A DIFFERENCE? IF NUMBERS ARE ANY INDICATION, THE TOURISM INDUSTRY HAS A HUGE SUCCESS STORY TO TELL. SINCE 1991, MONTANA'S NONRESIDENT VISITATION HAS INCREASED A HEALTHY 28%, AND NOW ATTRACTS \$1.59 BILLION IN NEW MONEY FROM OUTSIDE OUR STATE EACH YEAR.

To track the growth of Montana's tourism industry, and to help the state make informed marketing decisions, research is an invaluable tool. And each year, research continues to illustrate the value of tourism to the state's economy.

An economic review of the state travel industry, conducted by the Institute for Tourism and Recreation Research in 2000, illustrated the impact of tourism on the state's economy in a number of statistical categories. In the year 1999, the study found that the \$1.59 billion spent by nonresident visitors supported 29,900 jobs and resulted in more than \$479 million in personal income.

And let's be clear: tourism's economic impact stretches far beyond "tourism" businesses. In fact, nonresident travelers spend more on retail sales, gasoline and oil, and bars and restaurants than they

do on lodging. Montana's tourists go a long way toward keeping malls, grocery stores, service stations, restaurants, lounges and entertainment facilities profitable. So tourism not only brings in new money from outside the state, it also circulates that money throughout Montana's economy.

It's also interesting to note why people come to Montana. Of the 9.4 million out-of-state travelers who visited in 1999, 6% were here primarily for business reasons; 49% came for vacation; 16% visited family and friends, and 21% were traveling through Montana en route to another destination.

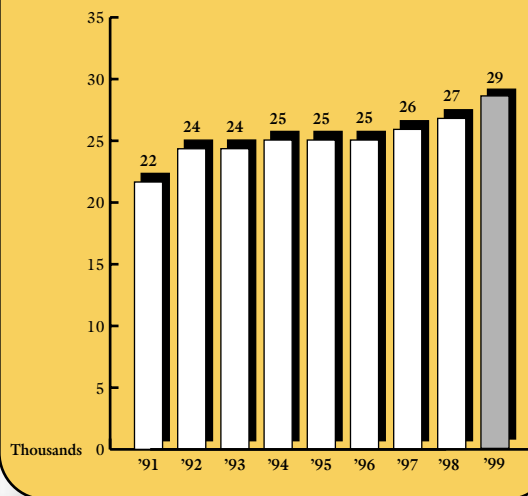
What do people do when they're visiting Montana? The six top activities include wildlife watching, visiting family/friends, nature photography, shopping, hiking and visiting historic/interpretive sites. The top destinations include Glacier and Yellowstone National Parks, Little Bighorn Battlefield, Fort Peck Lake, Bighorn Canyon National Recreation Area and the National Bison Range.

It's obvious, then, that Montana continues to attract high-quality visitors who spend more time—and money—on their vacation experience while they're here. And that's not only good for the state's tourism industry, it's good for the state in general.





TRAVEL DEPENDENT JOBS (UP 32% FROM 1991)



THE UNIVERSITY TRAVEL RESEARCH PROGRAM, FUNDED BY THE BED TAX, HELPS THE MONTANA TOURISM INDUSTRY MAKE BETTER-INFORMED MARKETING DECISIONS. CURRENTLY, THIS PROGRAM IS HANDLED BY THE INSTITUTE FOR TOURISM AND RECREATION RESEARCH (ITRR) AT THE UNIVERSITY OF MONTANA.

Each year, Montana's tourism and recreation industry relies on timely, accurate research information to help plan its marketing programs. To provide this data, the ITRR designs studies each year and submits them to the Tourism Advisory Council for approval. In addition, Travel Montana's programs occasionally contract outside research projects to determine specific marketing needs or results. Following is an overview of research projects for Fiscal Year 2001.

Continuing Resident Attitude Monitoring

This research tracks resident attitudes toward tourism through an annual survey. This baseline data has been collected at least once per year since 1991, and measures Montanans' opinions of tourism. When attitudes change, the tourism industry can address the issues.

Tourism Monitoring

By gathering secondary data related to travel in Montana (and surrounding areas), Montana can get a snapshot of the industry, current trends, and regional differences. To help accomplish this, the ITRR participates in *Economic Outlook* publications and seminars, *Tourism and Recreation News Briefs* (weekly summaries of travel-related stories in Montana newspapers), and publication of *Montana Vision* (a quarterly newsletter).

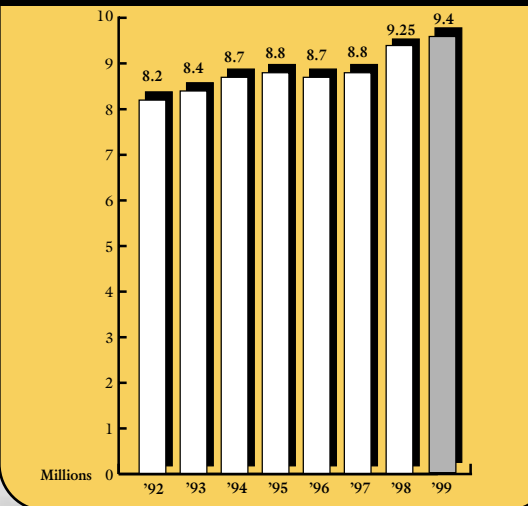
Regional Impact of Resident Travel

This study will analyze resident travel in each of Montana's six tourism regions, as well as where regional residents go for pleasure travel.

Montana Travel Study

This 12-month study, from December 2000 to November 2001, will gather key statewide non-resident visitor information.

NON RESIDENT VISITORS (UP 13% FROM 1992)



Community Tourism Assessment and Quality of Life Monitoring

This is a continuing research project to examine tourism's influence on the quality of life for residents in the state. This year, the project will examine three new communities to measure their potential and desire for tourism development. The project also includes a statewide sampling to determine statewide impacts as well as how each community compares to the state as a whole.

THE LURE: MARKETING THE MONTANA MYSTIQUE

EVEN THOUGH MONTANA CONTINUES TO DRAW MORE VISITORS EACH YEAR, THERE'S STILL A VAST WEALTH OF UNTAPPED POTENTIAL CONSUMERS OUT THERE. TRAVEL MONTANA'S CONSUMER MARKETING PROGRAM GENERATES AWARENESS OF MONTANA AS A TRAVEL DESTINATION, AND CONVINCES VACATIONERS TO VISIT BIG SKY COUNTRY.

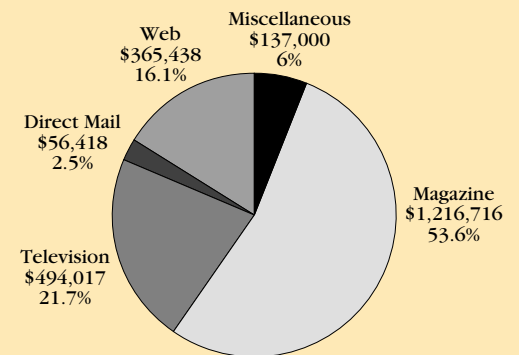
Obviously, with a record 9.4 million visitors in 1999, Montana has a natural allure. With parks, wilderness areas, scenery, wildlife, historic attractions and more, the state offers what more and more vacationers are looking for: an escape from their everyday lives. Still, Montana faces some unique challenges, as well. Even though the state has marketed itself extensively, there's more to be done. That's exactly where consumer marketing comes in. Now, more than ever, Montana needs to generate awareness and create a unique mindset in the minds of new consumers—thereby creating a desire to visit.

Travel Montana's consumer marketing program is dedicated to generating new interest in Montana, lengthening the stay of visitors, and encouraging repeat visitation. While Montana continues to market itself to core markets (family travelers, for instance), the state is now expanding its advertising to reach emerging markets and segments.

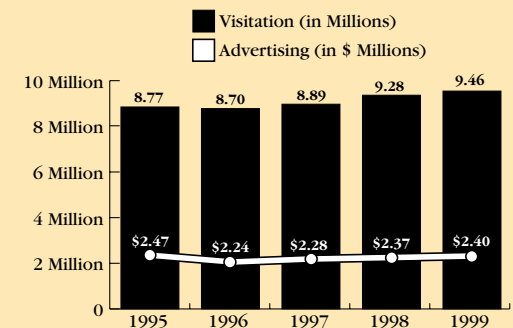
This year's market expansion efforts include ad campaigns targeting golf, photography, western history/culture and outdoor enthusiasts. The consumer marketing program is also developing other new ideas and strategies to help Montana compete—and succeed. Currently, the program's goals include continued increases in nonresident expenditures, growth in web site usage, and a broadening of Montana's message and appeal. As part of this, Travel Montana constantly re-evaluates the media vehicles it uses, determining the most effective mix for its advertising messages. For instance, the emergence of the internet in recent years has impacted the state's promotional mix. In 2001, Montana will invest more dollars in online media (including banner advertising and promotions) than ever before.

Consumer marketing is also continuing to pursue cooperative marketing opportunities with neighboring states and provinces, as well as ventures with Montana companies. And, Montana is expanding its successful database marketing program. Using data collected from people who request Montana information, database marketing offers unique, customized messages to specific interest areas (such as rock climbing or ranch vacations)—thereby increasing the chances of turning prospects into visitors.

MEDIA DOLLARS SPENT
(1999)

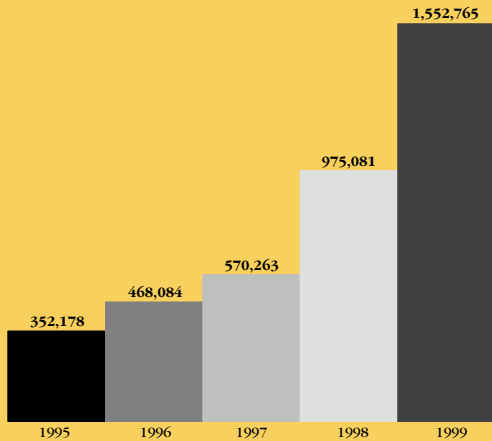


MARKETING BUDGET & VISITATION
(1995 TO 1999)





**TOTAL INQUIRIES
(1995 TO 1999)**



ADVERTISING IS THE INITIAL LURE; IT ENTICES POTENTIAL VISITORS, CONVINCING THEM TO CALL, WRITE OR GO ONLINE TO FIND OUT MORE ABOUT MONTANA. IT'S UP TO TRAVEL MONTANA'S PUBLICATIONS AND FULFILLMENT MATERIALS TO HELP TURN THAT INTEREST INTO AN ACTUAL VISIT.

All the advertising in the world means nothing without followup. And some of Travel Montana's most important followup mechanisms are the publications it produces. These publications are the materials people receive when they request information from the state; as such, they must contain accurate facts and they must be easy to use, of course. But more than that, the publications must act as "sales tools" for the state, helping to convince people that Montana should be their next vacation destination.

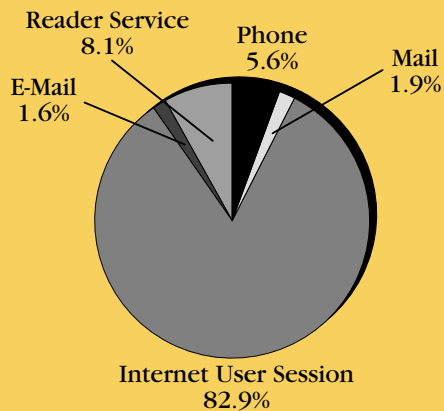
In a state as diverse as Montana, the list of publications should be diverse, as well. Currently, Travel Montana produces a Winter Guide, a Vacation Guide, a Travel Planner and calendars of events each year. In addition, the publications program oversees production of numerous specialty guides directed at specific interest areas. For instance, the program produces a guide explaining Montana's Indian reservations, a guide tracing Lewis and Clark's journey through the state and a poster/brochure designed especially for kids.

Travel Montana's publications department works closely with other state and federal agencies (such as the Montana Department of Fish, Wildlife & Parks, the Bureau of Land Management and the U.S.D.A. Forest Service) to create and update content for all of its guides and materials. Chambers of commerce, regional tourism organizations and Convention & Visitors Bureaus also provide valuable input and assistance in the publications process.

Currently, Montana produces and distributes more than 1.5 million pieces of travel literature each year. Approximately 2,300 businesses receive free listings in the publications, and more than 425 businesses take advantage of advertising opportunities. These publications are distributed in direct response to advertising inquiries, as well as to leads generated by trade/travel shows and international offices. Guides are also distributed at key points throughout the state, including Visitor Information Centers, chambers of commerce, airports and so on.

The publications program is dedicated to providing affordable advertising vehicles for Montana's travel and tourism businesses. To do this, the guides are always adapting and changing to fit the needs of users; currently, major guides are evolving to create more information exchange with the state's web sites.

**1999 INQUIRIES BY METHOD
(ROUNDED TO .1 PERCENT)**



THE TECHNOLOGY: INSTANT INFORMATION FOR VISITORS

IS THE INTERNET AN IMPORTANT PART OF MONTANA'S TOURISM MARKETING EFFORTS? CONSIDER THIS: IN 1994, TRAVEL MONTANA HAD NO WEB SITE. BY THE END OF 2000, TRAVEL MONTANA'S WEB SITE (VISITMT.COM) WAS GENERATING NEARLY 1.5 MILLION INQUIRIES FOR INFORMATION ANNUALLY—MORE THAN FOUR TIMES THE NUMBER OF INQUIRIES RECEIVED VIA OTHER METHODS.

In the span of just five years, Travel Montana's internet presence went from generating 0% of inquiries to generating more than 80% of inquiries. That's not surprising, since current research shows travel information is one of the top three reasons for web usage. While online growth is phenomenal, it doesn't happen by accident; Montana has been a leading state in web technology. This includes building a database-driven main site that offers all the information found in Travel Montana's publications.

That kind of functionality, in turn, has helped Travel Montana consistently boost user sessions for its main web site, as well as associated sites. In the last year alone, user sessions increased 98%. That, in turn, has helped Travel Montana trim its printing and fulfillment costs; because more people are finding travel information on the web, the state doesn't have to print or distribute as many publications.

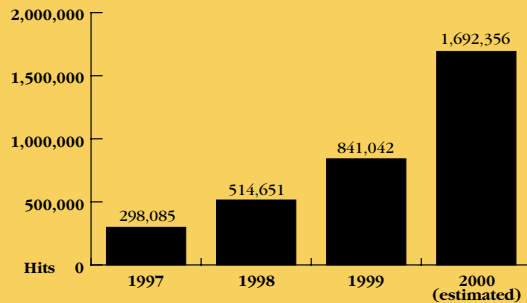
Many new features are now debuting online. New content includes a detailed watchable wildlife section with photos, plus content added in partnership with Montana-based businesses. Adventure Cycling has helped Travel Montana develop a web site section on statewide road and mountain biking routes, while Falcon Publishing has added content related to hiking, paddling, fishing and birding. The main site's interface has been revised and updated, and new administrative functions now let travel regions and CVBs update their own web sites quickly.

In the next year, improvements will continue. Travel Montana is now revamping its entire web database infrastructure, moving all program files to one centralized database. More "rich media" content will be added, such as streaming audio and video. Plus, more sophisticated usage analysis and data capture will aid Montana's database marketing efforts and help direct content for web sites.

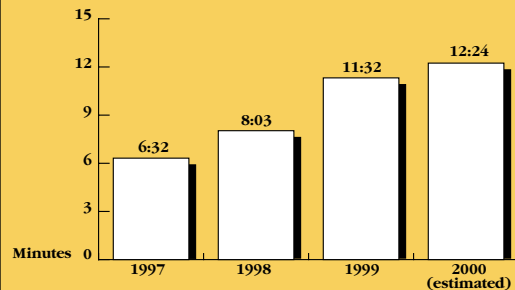




**USER SESSIONS
(1997-2000)**



**LENGTH OF USER SESSION
(1997-2000)**



CERTAINLY, THE INTERNET IS AN IMPORTANT COMPONENT OF MONTANA'S MARKETING EFFORTS. BUT THE INTERNET IS JUST ONE TOOL; THE MORE TRADITIONAL TOOLS SUCH AS TELEPHONE AND MAIL AND VISITOR INFORMATION CENTERS CONTINUE TO BRING IN HUNDREDS OF THOUSANDS OF INQUIRIES EACH YEAR, AND REMAIN VITAL TO SUCCESS.

Over the past several years, Travel Montana and its vendors have built one of the most advanced inquiry and fulfillment systems in tourism. Basic fulfillment methods, in use by most travel entities, simply capture the names and addresses of people who call in, then send a packet of information. Montana's call center, on the other hand, is able to take the process considerably further. When a potential visitor dials the 1-800-VISIT-MT phone number, he or she is connected with a travel counselor in the call center. The travel counselor automatically creates a new database record for the call as it comes in, notes the source of the call (print ad, TV ad, article, etc.) for tracking purposes, and asks the caller about interest areas. As the caller notes particular interests (golfing, skiing, mountain biking) or requests information on a specific area (Glacier National Park, Billings, Fort Peck Lake), the travel counselor is able to pull information from the database instantly and share it with the caller. This can include everything from

general descriptions to detailed driving directions. After capturing pertinent information about the caller, the travel counselor is able to print out a customized letter to the prospect and assemble a packet of information to be sent. Additionally, the call becomes part of the inquiry database, complete with key geographic, demographic and interest information. That information can then be used for additional database marketing efforts in the future. In the past year alone, the call center added more than 267,000 names to its inquiry database.

Montana's Visitor Information Centers (VICs) offer inquiry fulfillment by yet another method: face-to-face contact. These Visitor Information Centers are staffed by people who can answer questions and offer publications and other materials to visitors. Montana's eight VICs are at key access points across the state, including interstates and main highways. In the past year, the VICs have helped more than 125,000 visitors in Montana. Currently, staffed VICs are located in Broadus, Culbertson, Dillon, Hardin, Shelby, St. Regis, West Yellowstone and Wibaux.

THE NICHE: INTERNATIONAL, GROUPS AND MEETINGS

NONRESIDENT VISITORS TO MONTANA AREN'T JUST FAMILIES VACATIONING FROM NEIGHBORING STATES. THEY CAN ALSO BE FAMILIES AND GROUPS FROM ACROSS THE WORLD. THANKS TO THE POPULARITY OF THE "OLD WEST" ABROAD, AS WELL AS SUCCESSFUL MONTANA-THEMED FILMS SUCH AS "THE HORSE WHISPERER" AND "A RIVER RUNS THROUGH IT," MONTANA IS CONSISTENTLY PULLING VISITORS FROM KEY INTERNATIONAL MARKETS SUCH AS EUROPE AND ASIA. THE "GLOBAL MARKET" YOU KEEP HEARING ABOUT IN NEWS REPORTS ISN'T JUST DEVELOPING; FOR MONTANA TOURISM, IT'S ALREADY HERE.

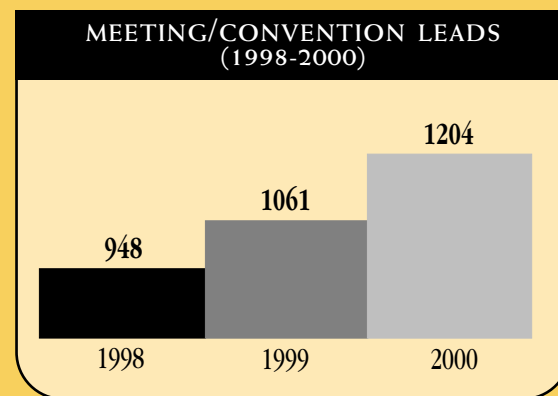
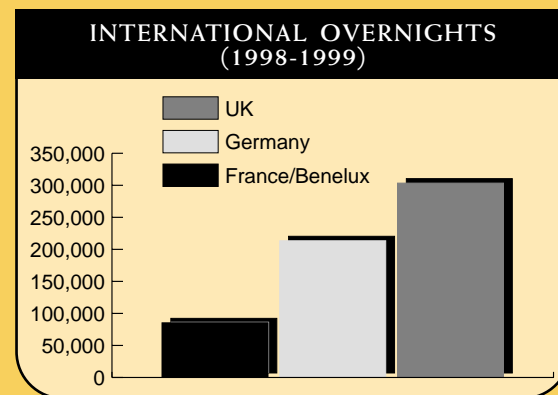
The overseas marketing department at Travel Montana makes sure Montana is at center stage on the global stage. Aggressive marketing targets the international travel trade, emphasizing the United Kingdom, Germany, France, Belgium, the Netherlands, Italy, Japan and Taiwan. Travel Montana works with key tour operators, wholesalers, travel agencies and media to establish new travel itineraries for groups and FITs (Foreign Independent Travelers), while at the same time helping Montana businesses market themselves overseas.

In Western European markets, Travel Montana works closely with Rocky Mountain International (RMI) to reach its key markets, which include the United Kingdom, Germany, France, Italy, Belgium and the

Netherlands. RMI has offices across Europe, including the new offices recently opened in Italy and Paris, France. In the Pacific Rim, trade office representatives in Kumamoto, Japan and Taipei, Taiwan market Montana's travel-related products and services to their respective countries.

Overseas marketing efforts are showing success on a number of fronts. Travel Montana regularly organizes and hosts familiarization ("fam") tours for international media and trade, with participants from the UK, Germany, the Netherlands, Belgium, France, Taiwan and Italy. Montana also attends key trade shows to promote the state to overseas tour operators. Currently, trade shows include Showcase USA in Italy; BIT in Milan, Italy; ITB in Berlin, Germany; World Travel Market in London; and the TIA Pow Wow in Dallas. These trade shows result in numerous leads for Montana, which are passed on to 220 Montana suppliers, CVBs and travel regions.

Goals for the coming year include additional international fam tours, which result in favorable media coverage and increased brochure exposure in overseas markets. The program is also increasing awareness of its international efforts among Montana tourism-related businesses; this year, the office presented a seminar at the Governor's Conference on Tourism, and is planning an additional seminar at the next conference.





MONTANA CERTAINLY APPEALS TO FAMILIES IN SEARCH OF VACATION ADVENTURE. BUT WHAT ABOUT GROUPS THAT AREN'T FAMILIES—CONVENTIONS OF 10,000, FOR INSTANCE? MONTANA IS THE PERFECT DESTINATION FOR THEM, TOO. THE STATE SUCCESSFULLY MARKETS ITSELF TO GROUP TOUR OPERATORS, AS WELL AS MEETING AND CONVENTION PLANNERS. WITH AN ABUNDANCE OF FACILITIES, ATTRACTIONS AND NATURAL BEAUTY, MONTANA IS HOSTING GROUPS OF EVERY SIZE FROM EVERYWHERE.

Montana's group travel program does exactly what the name implies: markets the state's attractions as destinations for group tour operators throughout the United States and Canada. The program suggests activities ranging from sightseeing to river rafting to skiing, and generates travel ideas for all seasons.

To do this, the program conducts fam tours for group tour operators, giving them a chance to see Montana's attractions first-hand. Direct mail offers current tour planning material to a targeted list of operators, helping establish and maintain rapport. Trade events, as well as membership in key industry associations such as the National Tour Association and the American Bus Association, help Montana stay in regular contact with group travel planners.

This year, the group tour program attended two group tour conventions to promote Montana as a destination; at the NTA convention, representatives organized and presented a "Montana Night" dinner attended by 100 tour operators.

Montana's meeting and convention program works closely with the state's CVBs, the Montana Innkeepers Association and convention properties to market the state as a destination for meetings and groups of any size.

The program's advertising campaign uses print, internet banner ads and direct mail to promote the state's meeting/convention facilities and capabilities. A new web site, montanameetings.com, offers information from Montana's printed Meeting Planner's Guide. Plus, trade shows such as Affordable Meetings and the Incentive Travel & Meeting Executives show bring Montana face-to-face with planners.

In the coming year, Montana will continue to position itself to meeting and convention planners, share leads and prospects with CVBs and properties, attend trade shows and conduct group fam tours.

THE FUTURE: TOURISM DEVELOPMENT

MONTANA'S TOURISM NUMBERS HAVE BEEN STEADILY RISING OVER THE PAST DOZEN YEARS. FOR THAT TREND TO CONTINUE, MONTANA NEEDS TO MAKE SURE IT HAS THE FACILITIES AND THE KNOWLEDGE BASE TO GIVE VISITORS A POSITIVE EXPERIENCE WHEN THEY'RE HERE. THAT'S THE PURPOSE OF MONTANA'S TOURISM DEVELOPMENT AND EDUCATION PROGRAM.

At its most basic level, Travel Montana's tourism development and education program is all about cooperation. First and foremost, it's dedicated to helping travel-related state agencies, federal agencies and private businesses work together. These involve specific projects such as rural tourism development, statewide infrastructure improvements, tourism development assistance for Montana's Indian people, cultural tourism partnerships and products, tourism and recreation policies and customer service/tourism education training. And while that's a long list on its own, it's really just the tip of what this program does for Montana's tourism industry.

In the past year, this program has produced many exciting projects. For instance, it co-sponsored a three-day cultural tourism marketing institute in Missoula, aimed at helping communities learn how to package their cultural resources for tourists.

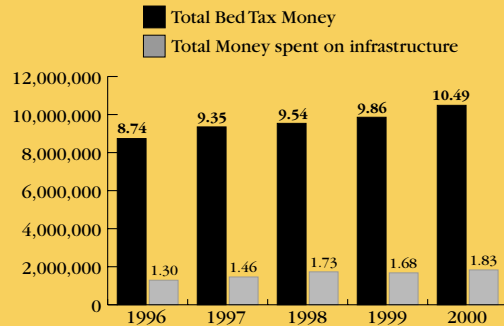
The program also helped organize the Montana Tribal Tourism Alliance, which now has representation from six of Montana's seven reservations. In response to the huge potential for the upcoming Lewis and Clark bicentennial celebration, the program was also involved in two projects related to the Corps of Discovery. First, it helped the Lewis & Clark Bicentennial Commission present planning workshops across the state. Second, it also worked with numerous federal and state agencies in the Montana Tourism and Recreation Initiative (MTRI) to help develop a strategy for Lewis and Clark signage and other interpretation.

The spirit of cooperation will continue in the coming year. The tourism development and education program will keep identifying opportunities for cooperative activities through MTRI and other organizations. Work will continue with newly established organizations and projects such as the Montana Tribal Tourism Alliance, and continuing projects such as cultural tourism development and the Lewis and Clark bicentennial observance. New projects will launch, as well. The program plans to implement pilot projects to help develop more cultural tourism products across the state. In addition, work will begin on Montana's 2003–2007 Strategic Plan for Travel & Tourism.





INFRASTRUCTURE INVESTMENT (1996-2000)



AN IMPORTANT ASPECT OF THE TOURISM DEVELOPMENT AND EDUCATION PROGRAM INVOLVES MONTANA'S COMMUNITIES. TRAVEL MONTANA BELIEVES IN PARTNERING WITH THE RESOURCES OF MONTANA'S TOWNS AND CITIES, HELPING THEM DEVELOP THE RESOURCES THEY NEED TO BENEFIT FROM TOURISM. THE COMMUNITY TOURISM ASSESSMENT PROGRAM (ALSO KNOWN AS CTAP), THE TOURISM INFRASTRUCTURE INVESTMENT PROGRAM (TIIP) AND SUPERHOST TRAINING ARE THREE VERY IMPORTANT TOOLS IN THIS AREA.

The Community Tourism Assessment Program is an eight-month "self help" process offered to three rural communities each year. In each of the selected communities, the program helps analyze local resident attitudes about (and interest in) tourism, measure tourism potential, identify gaps in visitor services and suggest projects or actions that can strengthen the role of tourism in the local economy. At the end of the process, communities can use \$10,000 in bed tax grants to develop priority infrastructure projects. Since its creation in 1991, CTAP has assisted 21 Montana communities.

The Tourism Infrastructure Investment Program offers a more immediate bed tax investment in

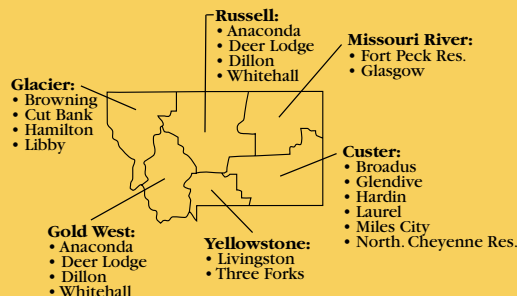
community or nonprofit organizations' efforts to develop or renovate Montana's tourism attractions. Since 1995, TIIP grants have provided more than \$1.2 million in funds for 23 projects in 18 communities across the state.

Travel Montana's Superhost program offers affordable customer service training to front-line employees in businesses and organizations across the state. In other words, this program works with the people who work most closely with our visitors. The program is offered through a training contract with Flathead Valley Community College in Kalispell.

Subjects covered in Superhost training include basic information about the importance of tourism to Montana's economy, local and statewide tourism information and service resources, and Lewis and Clark in Montana 101.

Another important educational resource for Montana's communities is the annual Governor's Conference on Tourism. This conference offers professional speakers and presentations covering subjects as diverse as tourism trends, marketing, legislative issues and more.

CTAP COMMUNITIES



THE PRESS: SPREADING THE WORD

THE OLD AXIOM IS TRUE: THE BEST KIND OF MARKETING IS THE FREE KIND. THANKS TO THE EFFORTS OF TRAVEL MONTANA'S PUBLICITY PROGRAM, THE STATE CURRENTLY GENERATES PUBLICITY AND COVERAGE (IN PRINT, BROADCAST AND ELECTRONIC MEDIA OUTLETS) THAT'S THE EQUIVALENT OF ABOUT \$8.7 MILLION IN ADVERTISING SPACE.

Publicity is one of the most believable and effective types of exposure a travel destination can get. Coverage in key travel and news media can result in stories and programs that generate interest in Montana. Travel Montana's publicity program works with various media outlets to help spread the word about the latest and greatest reasons for visiting.

Through the use of organized publicity campaigns, media familiarization ("fam") trips, publicity assistance and other services, Montana is able to work with hundreds of media representatives each year. The publicity department is constantly searching for cooperative media promotions to "pool" the resources of the state, its travel regions and CVBs. The department also offers four video productions and a footage library highlighting Montana's statewide travel opportunities. These videos are provided at cost to consumers, or free to media interested in airing the programs or using portions to produce programs.

Each year, the publicity program organizes or assists with fam tours in all six tourism regions; dozens of journalists participate in these regional fams. In addition, the department financially assists key broadcast producers and travel writers with assigned stories about Montana. This financial assistance helps make sure potential stories and programs about Montana are produced. The program also produces video news releases and has recently developed a video loop tape of 10 previous video news releases for use in the state's CVBs and Visitor Information Centers.

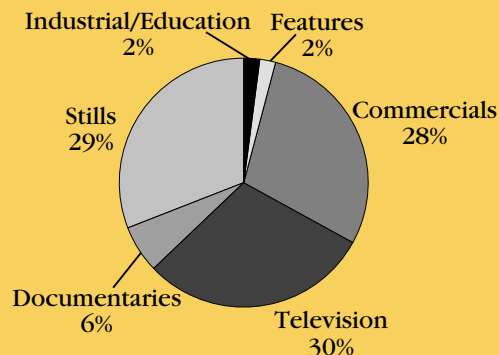
On the print side, the publicity program has updated its publicity press kit and redesigned its two publications sent to journalists: the *Untold Story Leads* quarterly newsletter (offering ideas for unique Montana stories) and the *Travel Montana Update* (offering news and information about the state's tourism industry).

To further expand its efforts and capabilities, the publicity program has defined goals for the upcoming year. This includes electronic distribution of its *Untold Story Leads* and *Travel Montana Update* publications (currently available in print form only), and updates to existing video footage and slide libraries. The department will also be targeting more web sites for publicity opportunities.





COMPLETED FILM OFFICE PROJECTS
(1999)



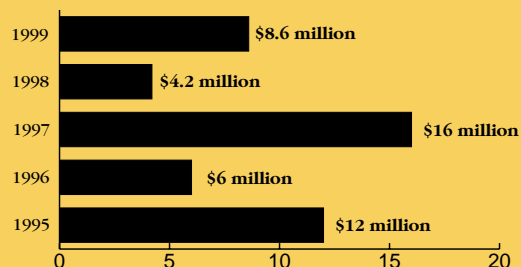
MONTANA IS A MAGICAL LOCATION FOR ALL THE PEOPLE WHO LIVE HERE. MORE AND MORE, IT'S A MAGICAL LOCATION FOR THE MOTION PICTURE INDUSTRY, AS WELL. OVER THE PAST SEVERAL YEARS, MONTANA HAS SERVED AS THE SETTING FOR MANY POPULAR FEATURE FILMS SUCH AS "THE HORSE WHISPERER." AT THE SAME TIME, THE STATE HAS HOSTED PRODUCTIONS FOR TELEVISION, COMMERCIALS, DOCUMENTARIES, MUSIC VIDEOS, AND STILL PHOTOGRAPHY.

The Montana Film Office works tirelessly to make sure professionals in film production know about what Montana has to offer: talented production crews and services, as well as unmatched locations. To do this, the film office takes advantage of a number of tools. First, targeted advertising campaigns appear in trade magazines such as *AFCI Locations*, *Location Update*, *Daily Variety*, *Hollywood Reporter* and *Backstage SHOOT*. To complement these ads, calendars featuring Montana locations are sent to selected producers, directors, studio executives and location managers. Regular attendance at trade shows and film festivals (such as Sundance Film Festival and AFCI Locations Global Expo) makes sure Montana is visible within the production community, and keeps film office personnel up-to-date on the latest happenings in the film and television industries.

The film office also produces materials that help film professionals find and use the resources available to them in the state. The Montana Production Guide is a 170-page binder distributed to key decision makers in the production industry. The film office web site, at montanafilm.com, offers full information about filming in the state. It also contains hundreds of photos of potential film locations around the state. These online photos complement Montana's large collection of photo and information files available to send on a moment's notice.

The film office's goals for the coming year include, first and foremost, increasing the number of feature films shot in Montana—with a focus on independent films. The office will also continue to target the commercial production industry and increase efforts to attract international production to Montana. The film office is also expanding its use of the internet as a marketing tool. Images are currently e-mailed to selected production companies and personnel; initial plans for a full digital photography and scouting system will dramatically increase online capacity. Eventually, the film office will have full in-house digital production—including shooting, panning, archiving, printing and electronic distribution.

MONTANA REVENUE FROM FILMING
(1995-1999)



THE WEB: MONTANA'S ONLINE RESOURCES

OVER THE PAST SEVERAL YEARS, AS THE REACH AND IMPORTANCE OF THE INTERNET HAS GROWN, SO HAVE THE OFFERINGS OF MONTANA'S TOURISM INDUSTRY. COLLECTED HERE ARE SOME OF THE WEB SITES MAINTAINED BY TRAVEL MONTANA, MONTANA'S TOURISM REGIONS AND CVBs, ALONG WITH SITES OF MANY TOURISM PARTNERS. TO FIND MORE IN-DEPTH INFORMATION ON MONTANA'S TOURISM INDUSTRY, START WITH THESE SITES.

WEB SITES MAINTAINED BY TRAVEL MONTANA

- visitmt.com - Travel Montana's main web site with visitor information and vacation planning assistance.
- lewisandclark.state.mt.us - Montana's Lewis and Clark site, devoted to the Corps of Discovery's journey across our state.
- wintermt.com - Montana's winter site, covering the pursuit of fun during our snowy season.
- montanakids.com - Specifically designed for kids, including games and other fun.
- montanameetings.com - The Montana meeting planner's site, offering information about meeting or convention services and locations.
- montanafilm.com - The official site of the Montana Film Office, with location photos and information about filming.
- travelmontana.state.mt.us - Travel Montana's intranet site, offering up-to-date information about the state tourism industry.

MONTANA TRAVEL REGIONS

- custer.visitmt.com - Custer Country
- glacier.visitmt.com - Glacier Country
- goldwest.visitmt.com - Gold West Country
- missouririver.visitmt.com - Missouri River Country
- russell.visitmt.com - Russell Country
- yellowstone.visitmt.com - Yellowstone Country

MONTANA CVBs

- billingscvb.visitmt.com - Billings
- bozemancvb.visitmt.com - Bozeman
- butteinfo.org - Butte
- fcvb.org - Flathead Valley
- greatfallscvb.visitmt.com - Great Falls
- helenachamber.com - Helena
- missoulachamber.com/cvb/ - Missoula
- westyellowstonecvb.visitmt.com - West Yellowstone
- whitefishmt.com/chamber/ - Whitefish

OTHER USEFUL SITES

- nps.gov/glac/ - Glacier National Park
- nps.gov/yell/ - Yellowstone National Park
- lewis-clark.org - Discovering Lewis and Clark
- fwp.state.mt.us - Montana Department of Fish, Wildlife & Parks
- mt.blm.gov - Bureau of Land Management
- geology.cr.usgs.gov/states/MT.html - Montana geological survey
- state.mt.us - Montana online
- montanalewisandclark.org/ - Montana Lewis & Clark Bicentennial Commission
- forestry.umn.edu/itr/ - Institute for Tourism and Recreation Research

How to find out if you and your camera are any good.

PUT YOURSELF IN MONTANA



FOR YOUR FREE VACATION PLANNING KIT CALL 800-VISIT-MT (847-4668) EXT 906.

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need to see



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How to know climbing
the concrete ladder
seen rather than
heard



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How to play
world-class courses



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How to know
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skiing and snowboarding



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FREE CREDIT PLANS ARE AVAILABLE. CALL 800-VISIT-MT (247-4086) EXT. 302.

[HTTP://VISITMT.COM](http://visitmt.com)

800-247-4086

Travel Montana Mission Statement

Travel Montana's mission is to strengthen Montana's economy through the promotion of the state as a vacation destination and film location.

By maximizing the combined talents and abilities of its staff, and with guidance from the Governor's Tourism Advisory Council, Travel Montana strives to promote a quality experience to visitors while encouraging preservation of Montana's environment and quality of life.